



DAC #50

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re PATENT Application of Mills

Group Art Unit: 1745

Application Ser. No. 09/009,294

Examiner: Kalafut

Filed: January 20, 1998

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For: HYDRIDE COMPOUNDS

SEP 20 200

OFFICE OF PETITIONS

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September 17, 2002

**PETITION UNDER 37 C.F.R. § 1.181(a)(3) INVOKING THE SUPERVISORY
AUTHORITY OF THE COMMISSIONER TO REVIEW THE DENIAL OF APPLICANT'S
PETITION TO WITHDRAW THE FINALITY OF THE JULY 3, 2001 OFFICE ACTION**

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Commissioner of Patents
United States Patent and Trademark Office
Washington, D.C. 20231

SEP 20 2002

OFFICE OF PETITIONS

Sir:

As suggested by Director Jacqueline M. Stone in her August 5, 2002 Decision on Petition, Applicant submits this Petition under 37 CFR § 1.181(a)(3) invoking the Commissioner's supervisory authority to review that and other related Decisions denying Applicant's original Petition (Tab 1), and First and Second Requests for Reconsideration (Tabs 2, 3), to withdraw the finality of the July 3, 2001 Office Action.

In each of those Decisions, Director Stone failed to address the specific grounds for Applicant's withdrawal Petition and misapplied erroneous findings of fact to PTO procedural guidelines mandating such withdrawal. Applicant therefore respectfully requests that the Commissioner overturn Director Stone's erroneous Decisions; that he withdraw the finality of the July 3, 2001 Office Action; and that he refund the fees Applicant paid for filing a Notice of Appeal with time extensions to have his Petition considered and for filing a Request for Continuing Examination (RCE) to maintain the pendency of the subject application.¹

¹ Applicant also filed Petitions to withdraw the finality of Office Actions in other pending applications, including: 09/009,837; 09/008,947; 09/009,455; 09/110,678; 09/111,160; 09/111,003; 09/501,621; 09/110,694; 09/110,717; and 09/362,693.

As explained in Applicant's original Petition, his First and Second Request for Reconsideration, and now this Petition, the Secret Committee charged with prosecuting the subject application unfairly waited until its Final Office Action to consider experimental data and other technical evidence that had been of record for almost three-and-a-half years—the same evidence on which Examiner Kalafut based his initial allowance of the claims. For example, on page 57, last paragraph, through page 58, second paragraph, of that Action, the Committee addressed for the first time experimental evidence that was presented in the original application filed January 20, 1998.²

Applicant further cited the following specific examples documenting the Secret Committee's dilatory tactics in considering Applicant's evidence:

- On pages 49-61 of the Final Office Action, the Secret Committee discusses for the first time in any detail its position on the calorimetric experimental data of record. The Committee's position on this calorimetric evidence should have been presented in the first Office Action on the merits, not in a second Final Office Action.
- On pages 50-54, paragraph 21 of the Final Office Action, the Secret Committee initially stakes a position regarding the NASA Technical Memorandum (Exhibit 29). That NASA document, however, had been of record for over two years, having been submitted in Applicant's Information Disclosure Statement dated May 21, 1999, and fully considered by Examiner Kalafut in initially deciding to allow this application. For the Committee to express its views on this scientific evidence for the first time in a Final Office action is grossly unfair.

Applicant further requests that the Commissioner withdraw the finality and refund fees in those cases as well.

² Applicant also cited numerous examples of new state-of-the-art books and journals that were relied upon by the Secret Committee and other newly minted arguments that could have and should have been presented earlier so as to develop a clear issue prior to appeal.

- On pages 56-61, paragraph 24 of the Final Office Action, the Secret Committee provides the first details of its position regarding spectroscopic data that was disclosed almost three-and-a-half years earlier in the original application. Again, Examiner Kalafut fully considered this experimental evidence in allowing the present application. The Committee likewise should have considered that evidence prior to issuing a Final Rejection in this case.

The only reason the Secret Committee finally did consider some, though not all of the record evidence in this case, thereby raising new issues, was because Applicant had criticized its initial failure to do so in the September 1, 2000 first Office Action.

Applicant's recently filed Second Request for Reconsideration pointed out how, in her May 15 Decision, Director Stone did not even attempt to dispute any of these facts,³ much less address the merits of Applicant's argument based thereon. Instead, she completely ignored them in erroneously finding that:

(1) "[N]o new ground of rejection was applied by the examiner in the Final Office Action. The 35 USC 101 and 35 USC 112, first paragraph rejections were simply repeated as set forth in the previous Non-Final Office action of September 1, 2000. Specifically, both rejections simply state that the rejections are being maintained for 'the reasons of record' without any additional stated basis for the rejections (emphasis in original); [Decision at 1] and

(2) "While the statement in the Petition that the examiner incorporated additional reasoning in the Final rejection of the claims is correct, this was done solely to answer the substance of the applicant's traversal of the response dated March 1, 2001 to the Non-final Office action." [Decision at 2.]

Applicant noted that these erroneous findings not only conspicuously lack citation to, and support in, the record, but more noticeably failed to address the

³ Applicant further noted that, because the PTO did not dispute any of the facts presented in Applicant's Petition, those facts had to be accepted as true.

specific grounds on which Applicant's original Petition was based showing the opposite to be true.

Incredibly, Director Stone's recent August 5 Decision denying Applicant's Second Request for Reconsideration still does not address those grounds, thus necessitating this Petition under Rule 181(a)(3). Worse yet, that Decision posits another factual error in claiming for the first time, without support in the administrative record, that the Secret Committee did consider Applicant's experimental evidence in its first Office Action.

Due process, at a minimum, requires that the PTO speak directly to the grounds raised in Applicant's original Petition, including, but not limited to, the following:

1. The Secret Committee's "additional reasoning" incorporated into its Final Rejection of claims did not answer the substance of Applicant's traversal

Director Stone concludes without support that the Secret Committee incorporated additional reasoning into its Final Rejection "solely to answer the substance of the applicant's traversal of the response dated March 1, 2001 to the Non-final Office action." [May 15 Decision on Petition at 2.] That conclusion, however, is blind to two important facts in this case.

First, the "substance of Applicant's traversal" included the Secret Committee's failure to consider his record evidence in its initial Office Action. Second, in providing an "answer" to that traversal, the Committee looked at, and commented on, that evidence for the first time in its Final Office Action.

Applicant's original Petition and First Request for Reconsideration also pointed out these facts in forcefully arguing why making that action Final was blatantly unfair and contrary to PTO procedures outlined in MPEP § 706.07(a). The May 15 Decision merely compounded the PTO's unfair treatment of Applicant by again refusing to even consider and address the merits of those arguments.

Instead, the Decision cited a different passage of the MPEP, section 707.07(f), which, when read in the factual context of this case, exposes the impropriety of the Secret Committee's Final Action:

Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it.

After an Office action, the reply (in addition to making amendments, etc.) may frequently include arguments and affidavits to the effect that the prior art cited by the examiner does not teach how to obtain or does not inherently yield one or more advantages (new or improved results, functions or effects), which advantages are urged to warrant issue of a patent on the allegedly novel subject matter claimed. If it is the examiner's considered opinion that the asserted advantages are not sufficient to overcome the rejection(s) of record, he or she should state the reasons for his or her position in the record, preferably in the action following the assertion or argument relative to such advantages. By so doing the applicant will know that the asserted advantages have actually been considered by the examiner and, if appeal is taken, the Board of Patent Appeals and Interferences will also be advised. [May 15 Decision at 2.]

This passage applies to a situation where the Applicant, in reply to the substance of an Office Action that addressed his prior assertions, includes supplemental arguments or affidavits pointing out deficiencies in that Action. Then, perhaps, the subsequent Office Action in response would be properly made final.

That situation, however, contrasts sharply with the present case where Applicant, in reply to the lack of substance of the Secret Committee's first Office Action, pointed out its failure to address his prior assertions, i.e., the scientific evidence of record. In such a case, it is pure folly to suggest that the Committee's newly presented nonenablement arguments in response to that criticism were submitted "solely to answer the substance of the applicant's traversal."⁴ [May 15 Decision at 2.]

⁴ Thus, contrary to the May 15 Decision, the 35 U.S.C. §§ 101 and 112, first paragraph, rejections were not "simply repeated as set forth in the previous Non-Final Office action of September 1, 2000." Director Stone's further reliance on the Final Office Action statement that "the rejections are being maintained for 'the reasons of record' without any additional stated basis for rejections" does not make it

Because the record does not support that finding, the finality of the July 3, 2001 Office Action must be deemed premature and therefore withdrawn.

In her recent August 5 Decision on Petition, Director Stone essentially admits the merit of Applicant's argument, first by again failing to address it directly and, second, by manufacturing a new fact in claiming without evidentiary support that: "[t]he evidence of record, including the instant specification was first considered when making the initial 35 USC 112, first paragraph rejections and 35 USC 101 rejections."

That statement is simply not true. The record shows that the Secret Committee, in its September 1, 2000 first Office Action, did not initially address Applicant's spectroscopic experimental evidence, which point was among those raised in Applicant's 65-page Response to that Action. Director Stone is unable to point to the administrative record showing any such consideration of Applicant's spectroscopic evidence prior to the Final Office Action.

The fact that Director Stone waited until after Applicant filed a second Request for Reconsideration to assert for the first time that the Secret Committee considered his evidence in initially rejecting the claims under 35 U.S.C. §§ 101, 112 is suspect on its face. Furthermore, because the record shows just the opposite is true, this last-minute argument only further confirms Applicant's position that the July 3 Office Action was prematurely made final and should be withdrawn.

Director Stone only compounds the errors in her Decisions on Petition by now further asserting that "[t]he examiner, when making the final rejection responded to [Applicant's] arguments for the first time because said arguments had not been previously present in the application." [August 5, 2002 Decision at 1.] That assertion, however, makes no sense whatsoever.⁵

so. Certainly, a fair and honest consideration of Applicant's original Petition requires a more sophisticated analysis of the facts than that.

⁵ That assertion is also factually incorrect in its claim that "the examiner [made] the final rejection." Counsel telephoned the examiner of record in this case, Stephen Kalafut, to question him regarding the finality of the July 3 Office Action. Examiner

For instance, Applicant's criticism that the Secret Committee failed to consider his experimental evidence obviously could not have been previously presented. It stands to reason that Applicant had to wait until after the Secret Committee entered its first Office Action and actually ignored his evidence before leveling that criticism for doing so. Thus, to say that the Committee properly made its subsequent action Final because it merely responded to that newly presented criticism by considering the evidence for the first time exposes the PTO's position as arbitrary and capricious.

For these reasons, the premature finality of the July 3 Office Action should be withdrawn.

2. Committee arguments that did not merely respond to arguments presented by Applicant constitute a new ground of rejection

Applicant further pointed out in his Second Request for Reconsideration that, based on the erroneous finding that the Secret Committee submitted new nonenablement arguments "solely to answer the substance of the applicant's traversal," the May 15 Decision incorrectly concluded that the Committee therefore did not advance a new ground of rejection:

The arguments put forth by the examiner do not constitute a new ground of rejection in that they merely respond to arguments presented by applicant and do not change the basis for the rejections (i.e. the rejections are still based on lack of utility and enablement as set forth in the previous office action. [Decision at 1.]

Applicant's showing, however, that the Secret Committee did much more than "merely respond to arguments presented by applicant" exposes the fallacy in concluding that the Committee's arguments do not constitute a new ground of rejection. Unfortunately, Director Stone's August 5 Decision on Petition still does not address this point, again necessitating the present Petition.

Kalafut, however, could not respond to any questions because, contrary to Director Stone, he played no role in making the final rejection, except in signing it.

Applicant further argued that the mere fact that the final rejections of record were "still based on lack of utility and enablement," *i.e.*, 35 U.S.C. §§ 101 and 112, first paragraph, is entirely irrelevant to whether the finality of those rejections was proper. Indeed, the PTO's own procedural authority recognizes that a new ground of rejection does not require raising a new rejection under a different statutory provision and, thus highlights the bankruptcy of Director Stone's position. See, for example, MPEP § 706.07(a) ["Final Rejection, When Proper on Second Action"].

As previously explained, situations often arise in which a subsequent Office Action raising a new substantive basis for a rejection, even under precisely the same statutory provision as a prior Office Action, must be made non-final. For example, a second Office Action introducing an obviousness rejection under 35 U.S.C. § 103 based upon a newly cited prior art combination that was not necessitated by amendment could not be made final simply because the claims were previously rejected for obviousness under the same statutory provision. See MPEP § 706.07(a). Rejections issued under Sections 101 and 112 are certainly no different and, therefore, should be afforded the same treatment.

Apparently, Director Stone, as reflected in her August 5 Decision, now agrees with Applicant that her previous comment that "the rejections are still based on lack of utility and enablement" is not enough to justify the finality of the July 3 Office Action. In criticizing Applicant's above example used only in making that point, however, Director Stone once again makes erroneous factual assumptions:

This example is not relevant to the instant fact situation. In this case, not only is the statutory basis the same, but the actual rejection is the same. In petitioner's example, a totally new rejection is applied to the claims."
[Decision at 1.]

In fact, the actual rejection set forth in the Secret Committee's Final Office Action is not the same, as it raised new issues in considering Applicant's record evidence for the first time. Director Stone acknowledges as much by her "eleventh-hour" argument in which she now feels compelled to claim, without any record support, that the "examiner" did consider that evidence in the September 1, 2000 first Office Action. That argument—as factually erroneous as it may be—recognizes

the gross unfairness of waiting until issuing a Final Rejection under 35 U.S.C. §§ 101 and 112 before evaluating evidence that speaks directly to the utility and enablement of the claimed invention.

Clearly, a new prior art rejection applied to claims, not necessitated by amendment, in which a different reference is considered for the first time, should be made non-final. That situation, however, is no different than a new Section 101 or 112 rejection that for the first time takes into consideration evidence previously overlooked that supports the utility and enablement of the claimed invention. Such evidence—or lack thereof—is the very foundation of rejections under Sections 101 and 112, just like a prior art reference forms the basis for rejections under Sections 102 and 103. Therefore, if a new rejection of claims under Sections 101 and 112 considers experimental evidence for the first time, just like a new prior art rejection applying a previously unconsidered reference, it should be made non-final.

To hold otherwise would only encourage examiners to withhold judgment on experimental evidence until Final Action is taken, as was done in this case, thereby denying applicants a fair opportunity to respond and develop a clear issue prior to appeal. The PTO's own procedural guidelines, as stated in MPEP § 706.07, prohibit such unfair actions:

Before final rejection is in order a clear issue should be developed between the examiner and applicant. . . .

The examiner should never lose sight of the fact that in every case the applicant is entitled to a full and fair hearing, and that a clear issue between applicant and examiner should be developed, if possible, before appeal. [Emphasis added.]

Director Stone apparently has lost sight of the fact that Applicant is entitled to a full and fair hearing on his experimental evidence, so much so that she refuses to even respond to this line of argument when presented on three different occasions. Out of exasperation, Applicant has attempted to get that hearing by filing an RCE in this application and in his other pending cases under Final Rejection. Applicant, however, should not have to go to such extreme measures and expense to compensate for the PTO's unfair prosecution practices.

For this and other reasons explained above, the premature finality of the July 3 Office Action should be withdrawn.

Conclusion

Applicant has shown that Director Stone's Decisions on Petition have unreasonably denied Applicant's request that the finality of the July 3, 2001 Office Action be withdrawn as premature. Those Decisions rest upon erroneous findings of fact and misapplication of established PTO procedures. Accordingly, Applicant respectfully requests that the Commissioner invoke his authority under 37 C.F.R. § 1.181(a)(3) and that he:

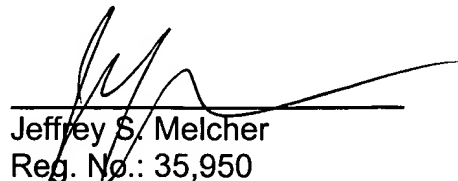
- (1) overturn Director Stone's erroneous Decisions denying Applicant's withdrawal Petition;
- (2) withdraw the finality of the July 3, 2001 Office Action in this application and the final rejections that were entered in Applicant's other pending cases; and
- (3) refund the fees Applicant paid in those cases for filing a Notice of Appeal with time extensions to have his Petition considered and for filing a Request for Continuing Examination (RCE) to maintain pendency.

Please charge any required petition fees to our deposit account No. 50-0687, under order No. 62226.

Respectfully submitted,

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